

Enterprise Funds



I-30 South of Malvern

Arkansas was the first state in the country to complete its allotment of Interstate highway miles. Reconstruction of that system, as seen here south of Malvern, cost more than twice as much per mile as the original construction.



ENTERPRISE FUNDS

The enterprise funds are used to account for operations of those state agencies and/or programs providing goods or services to the general public or a user-charge basis or where the State has decided that periodic determination of revenues earned, expenses incurred and/or income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The enterprise funds consist of the following:

Workers' Compensation Commission - This agency is responsible for providing a prompt and equitable system of compensation for injury or illness sustained during the course of employment.

Construction Assistance Revolving Loan Fund - This program is responsible for providing a perpetual fund for financing the construction of waste water treatment facilities for municipalities and other public entities.

Other Revolving Loan Funds - These programs are responsible for providing a perpetual fund for financing the planning, design, acquisition, construction, expansion, equipping, and/or rehabilitation of water systems and the financing of capitalizable educational and general projects for community and technical colleges.

Enterprise Funds Combining Balance Sheet

June 30, 1999

(Expressed in Thousands)

| | Workers' Compensation Commission | Construction Assistance Revolving Loan Fund | Other Revolving Loan Funds | Total |
|--|--|---|-------------------------------------|-------------------------|
| ASSETS: | | | | |
| Cash and cash equivalents | \$144,545 | \$ 45,114 | \$ 7,741 | \$197,400 |
| Investments | | 31,304 | | 31,304 |
| Receivables, net: | | | | |
| Accounts | 9,935 | 69 | | 10,004 |
| Loans | | 169,747 | 1,428 | 171,175 |
| Investment related | 1,812 | 676 | 51 | 2,539 |
| Fixed assets, net | 2,399 | | 93 | 2,492 |
| Other assets | <u>11,295</u> | <u>2,039</u> | <u> </u> | <u>13,334</u> |
| TOTAL ASSETS | <u>\$169,986</u> | <u>\$248,949</u> | <u>\$ 9,313</u> | <u>\$428,248</u> |
| LIABILITIES, EQUITY AND OTHER CREDITS: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 475 | \$ 482 | \$ 1,595 | \$ 2,552 |
| Accrued and other liabilities | 13,377 | 510 | | 13,887 |
| Deferred revenues | | 3,892 | | 3,892 |
| Workers' compensation benefits payable | 168,120 | | | 168,120 |
| Capital leases | 2,036 | | | 2,036 |
| Special obligation bonds payable | <u> </u> | <u>118,058</u> | <u> </u> | <u>118,058</u> |
| Total liabilities | <u>184,008</u> | <u>122,942</u> | <u>1,595</u> | <u>308,545</u> |
| Equity and other credits: | | | | |
| Retained earnings (deficit) unreserved | (14,022) | 7,445 | (230) | (6,807) |
| Contributed capital | <u> </u> | <u>118,562</u> | <u>7,948</u> | <u>126,510</u> |
| Total equity (deficit) and other credits | <u>(14,022)</u> | <u>126,007</u> | <u>7,718</u> | <u>119,703</u> |
| TOTAL LIABILITIES, EQUITY AND OTHER CREDITS | <u>\$169,986</u> | <u>\$248,949</u> | <u>\$ 9,313</u> | <u>\$428,248</u> |

Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

For the Fiscal Year Ended June 30, 1999
(Expressed in Thousands)

| | Workers' Compensation Commission | Construction Assistance Revolving Loan Fund | Other Revolving Loan Funds | Total |
|--|--|---|-------------------------------------|--------------------------|
| OPERATING REVENUES: | | | | |
| Licenses, permits and fees | \$ 7,888 | | | \$ 7,888 |
| Investment earnings | | \$ 8,549 | \$ 447 | 8,996 |
| Insurance tax | 11,100 | | | 11,100 |
| Other | <u>110</u> | <u>1,662</u> | <u>—</u> | <u>1,772</u> |
| Total Operating Revenues | <u>19,098</u> | <u>10,211</u> | <u>447</u> | <u>29,756</u> |
| OPERATING EXPENSES: | | | | |
| General and administrative | 28,132 | 1,634 | 949 | 30,715 |
| Interest | | 5,629 | | 5,629 |
| Depreciation | 210 | | | 210 |
| Amortization | <u>—</u> | <u>259</u> | <u>—</u> | <u>259</u> |
| Total Operating Expenses | <u>28,342</u> | <u>7,522</u> | <u>949</u> | <u>36,813</u> |
| Operating Income (Loss) | <u>(9,244)</u> | <u>2,689</u> | <u>(502)</u> | <u>(7,057)</u> |
| NON-OPERATING REVENUES (EXPENSES): | | | | |
| Investment earnings | 6,865 | | | 6,865 |
| Interest | <u>(135)</u> | <u>—</u> | <u>—</u> | <u>(135)</u> |
| Total Non-Operating Revenue | <u>6,730</u> | <u>—</u> | <u>—</u> | <u>6,730</u> |
| Income (Loss) Before Operating Transfers | <u>(2,514)</u> | <u>2,689</u> | <u>(502)</u> | <u>(327)</u> |
| OPERATING TRANSFERS - | | | | |
| Operating transfers out - primary government | <u>(162)</u> | <u>—</u> | <u>—</u> | <u>(162)</u> |
| NET INCOME (LOSS) | <u>(2,676)</u> | <u>2,689</u> | <u>(502)</u> | <u>(489)</u> |
| RETAINED EARNINGS (DEFICIT) | | | | |
| AT BEGINNING OF YEAR, AS ADJUSTED | <u>(11,346)</u> | <u>4,756</u> | <u>272</u> | <u>(6,318)</u> |
| RETAINED EARNINGS (DEFICIT) | | | | |
| AT END OF YEAR | <u><u>\$ (14,022)</u></u> | <u><u>\$ 7,445</u></u> | <u><u>\$(230)</u></u> | <u><u>\$ (6,807)</u></u> |

Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 1999
(Expressed in Thousands)

| | Workers' Compensation Commission | Construction Assistance Revolving Loan Fund | Other Revolving Loan Funds | Total |
|--|---|--|---|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Operating income (loss) | \$ (9,244) | \$ 2,689 | \$ (502) | \$ (7,057) |
| Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities: | | | | |
| Depreciation, accretion and amortization | 210 | 259 | 64 | 533 |
| Loss on disposals of assets | 257 | | | 257 |
| Changes in operating assets and liabilities: | | | | |
| Accounts receivable | 770 | 342 | 3 | 1,115 |
| Investment related receivable | 38 | (142) | (2) | (106) |
| Other assets | (36) | (363) | | (399) |
| Accounts payable and accrued expenses | (33) | 544 | 68 | 579 |
| Workers' compensation benefits payable | 8,384 | | | 8,384 |
| Other liabilities | | (475) | | (475) |
| Net Cash Provided (Used) by Operating Activities | <u>346</u> | <u>2,854</u> | <u>(369)</u> | <u>2,831</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | | | |
| Operating transfers out to other funds | (162) | | | (162) |
| Interest expense | (134) | | | (134) |
| Net Cash Used by Non-capital Financing Activities | <u>(296)</u> | | | <u>(296)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Proceeds from bond issuance | | 19,810 | | 19,810 |
| Repayment of bonds | | (3,155) | | (3,155) |
| Proceeds from grants, entitlements and shared revenues | | 4,058 | 2,017 | 6,075 |
| Capital lease obligation | (105) | | | (105) |
| Acquisition of capital assets | (151) | | (54) | (205) |
| Net Cash Provided (Used) for Capital and Related Financing Activities | <u>(256)</u> | <u>20,713</u> | <u>1,963</u> | <u>22,420</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Purchase of investments | | (19,240) | | (19,240) |
| Investment earnings | 6,864 | | | 6,864 |
| Proceeds from sales and maturities of investments | | 2,776 | | 2,776 |
| Net (increase) decrease in loans | | (1,038) | 810 | (228) |
| Net Cash Provided (Used) by Investing Activities | <u>6,864</u> | <u>(17,502)</u> | <u>810</u> | <u>(9,828)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 6,658 | 6,065 | 2,404 | 15,127 |
| CASH AND CASH EQUIVALENTS: | | | | |
| Beginning of year | <u>137,887</u> | <u>39,049</u> | <u>5,337</u> | <u>182,273</u> |
| End of year | <u><u>\$144,545</u></u> | <u><u>\$ 45,114</u></u> | <u><u>\$7,741</u></u> | <u><u>\$197,400</u></u> |

